

Agenda Report

ATTENTION: City Council Deregulation Committee January 7, 1998
TO: City Council
FROM: City Manager
SUBJECT: Contract for Deregulation Communications

RECOMMENDATION: It is recommended that the City Council approve a \$350,000 contract with Jim Cox Advertising for deregulation communications through June 30, 1998.

BACKGROUND: Communications-related work completed under the previous Jim Cox Advertising contract included preliminary research, a residential direct-mail booklet, a billstuffer, design, copywriting and creative consultation for a commercial brochure and a second direct mailer, and ongoing advice and consultation on deregulation communications.

Two important recent events necessitate the immediate continuation of Pasadena's communications campaign: (1) In November 1997 the City Council approved five items to help position Pasadena Water and Power for competition in a deregulated energy marketplace, including a temporary surcharge that has been controversial; and (2) in early spring 1998 investor-owned electric utilities will begin the deregulation process and have already begun aggressive advertising campaigns.

Between now and June 30, 1998, it is anticipated that a marketing manager will have been hired by Pasadena Water and Power and that person will be able to work with the Public Affairs Office and Jim Cox Advertising to transition into a long-term communications plan. Until that time, it is critical to the success of the Deregulation Plan that the city communicates with residential and commercial customers so they can understand the deregulation process and the impact of recent City Council decisions, and prepare to make educated, informed decisions about their electricity provider of choice when Pasadena opens its doors to competition.

Materials that will be considered during this timeframe include direct mail, newspaper ads, brochures for the account executive team, outdoor ads, an Infomercial and additional information related to low-income programs. (See attachment.)

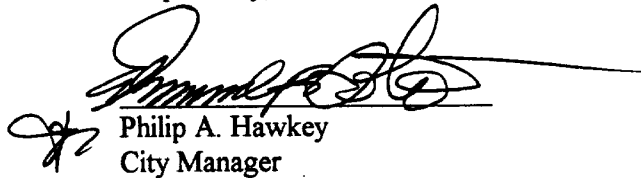
Themes and messages that should be reflected in the materials include:

- Deregulation is coming/competition is here
IOUs are beginning in January
Pasadena customers will have a choice later
PWP's monopoly will disappear
Stranded investment is being managed
- Business transformation is underway
Operating efficiencies have been identified/implemented
New products and services are in the works
Customer service improvements are being developed
- Public power is good
PWP is community-owned
Local control and governance is beneficial
Service reliability is our standard
Rates will be lower in many cases than competition
- Pasadena is a special place
City services/programs are superlative
Quality of life is exceptional

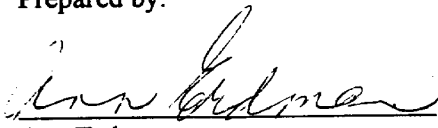
A second request for qualifications was sent recently to five advertising agencies in the Pasadena area. After reviewing the qualifications statements of the respondents, it was decided that Jim Cox Advertising remains the best qualified.

FISCAL IMPACT: Funds for the Jim Cox Advertising contract are available from Pasadena Water and Power account number 8114-401-831000-0930-20385.

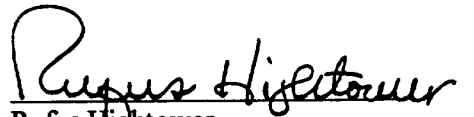
Respectfully,


Philip A. Hawkey
City Manager

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